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FISCAL IMPACT STATEMENT

LS 7425

BILL NUMBER: HB 1461

NOTE PREPARED: Feb 19, 2009

BILL AMENDED: Feb 19, 2009

SUBJECT: Collective Bargaining for School Employees.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill provides that school employers and noncertificated school employees have the right and obligation to discuss certain topics related to school employment and may (but are not required to) bargain collectively, negotiate, be subject to or enter into impasse procedures, or enter into a written contract. It provides that items included in a 2004-2005 or subsequent agreement between a school employer and employee organization of noncertificated school employees continue to be bargainable. The bill also makes conforming changes.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could lead to additional expenditures by local governments due to negotiated contract settlements that are over and above what might have been granted by the units without the requirement to discuss:

1. Salaries
2. Working conditions.
3. Procedures for selection, assignment, promotion, or discipline of personnel.
4. Procedures for school discipline.

However, the extent of any impact is unknown.

Background: There are various forms of negotiating processes between employers and employees, ranging from a requirement to meet and confer, to collective bargaining with binding arbitration. The resulting impact on wage and salary levels and other conditions of employment can vary, as well, depending on the rules and procedures under which the negotiation is required to take place.

This bill imposes certain obligations on the employer to discuss in good faith with the employee representative issues and proposals regarding wages, working conditions, terms of employment, and student discipline procedures. The impact on wages, salaries, and other conditions of employment is unknown and can vary between local units.

According to the Indiana School Boards Association, around 42 of the school corporations currently participate in collective bargaining with their noncertificated employees. The approximate payroll of noncertificated school employees in Indiana for FY 2008 was about \$1.4 B.

Since about 90% of school general fund budget revenue is funded through the state tuition support school formula, the additional wages and benefits negotiated with employees as a result of meet and confer may not result in increased local revenue. Instead, increased personnel costs may force reallocations from other areas in the school budget or result in a greater demand for state funds.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local schools.

Information Sources: Department of Education financial reports.

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